

PROFESSIONAL SERVICES CONTRACT BETWEEN

STATE OF ALASKA  
ALASKA STATE LEGISLATURE  
LEGISLATIVE BUDGET & AUDIT COMMITTEE  
State Capitol, Room 502  
Juneau, AK 99801

AND

The Menges Group, LLC  
4001 9<sup>th</sup> Street N., Suite 227  
Arlington, VA 22203

***\*\*Contract Amount – Not to Exceed \$350,000.00\*\****  
**(amount includes travel and all other expenses)**

The parties to this contract are the State of Alaska, Alaska State Legislature, Legislative Budget & Audit Committee, whose address is 120 4<sup>th</sup> Street, State Capitol, Room 502, Juneau, AK 99801-1182, (hereinafter referred to as the "Committee"), and The Menges Group, LLC whose address is 4001 9<sup>th</sup> Street N., Suite 227, Arlington, VA 22203, (hereinafter referred to as the "Consultant.")

THE PURPOSE OF THIS CONTRACT is to provide the Committee with an independent professional consultant in the area of Medicaid reform and expansion.

**IT IS THEREFORE MUTUALLY AGREED THAT:**

**CLAUSE I – STATEMENT OF SCOPE OF WORK**

- (A) The Consultant will provide services and staff, and otherwise do all things necessary or incidental to the performance of work as specified in the Division of Legislative Audit's RFP15-33-10, attached in Exhibit A as a fully incorporated component of this Contract, and the Consultant's proposal dated July 6, 2015, attached in Exhibit B as a fully incorporated component of this Contract. Except as otherwise explicitly provided in this Contract document, should any component of the Consultant's proposal conflict with an item in RFP 15-33-10, the requirements within RFP 15-33-10 shall govern, except that should any component of the Consultant's proposal (Exhibit B) or RFP 15-33-10 (Exhibit A) conflict with this Contract document, this Contract document shall govern

- (B) In lieu of the proposed legislative provisions pertaining to the authorization of Medicaid Expansion, the evaluation and written analysis pertaining to Medicaid Expansion and the receipt of federal funds will be conducted based on the two Revised Program Legislative (RPL) requests pertaining to Medicaid Expansion in Alaska: RPL 06-2016-0056 and RPL 06-2016-0057 – see Exhibit C.
- (C) The Consultant will offer technical assistance in the analysis and evaluation of Medicaid proposals and assist the legislature in understanding and acting upon these proposals. For each Medicaid proposal identified by the project director for the Consultant's review, the Consultant will provide a comprehensive analysis that
1. identifies and discusses the efficacy, efficiency and timelines of all proposed reform and expansion elements;
  2. identifies potential benefits and risks involved;
  3. evaluates and analyzes both immediate and long-range fiscal consequences;
  4. evaluates the likelihood of realizing projected enrollments and utilizations;
  5. assesses the provider network capacity, including Medicare "provider crowd-out" potentials;
  6. evaluates tribal health care and Native health services utilization and collaboration opportunities, limitations, and consequences;
  7. evaluates and recommends strategies for health plan management of, first, any expansion populations, and second, the general Medicaid population;
  8. if applicable, assesses the maximization of Medicaid funding for prison populations; and
  9. provides in the review a summary of the above elements in a SWOT (strengths, weaknesses, opportunities and threats) analysis format.
- (D) The Consultant will provide information and analyses with regard to other states' experiences with Medicaid reform and expansion initiatives, including assessing the outcomes to date of the six states that have been awarded State Innovation Model (SIM) grants to reform Medicaid and identifying the reforms that would work well in urban Alaska or rural Alaska.
- (E) The Consultant will evaluate Best Practices models for other states and identify components of successful reform and expansion initiatives, and the portability of those measures to Alaska.
- (F) The Consultant will provide recommendations for a tailored limited benefit package for any expansion population, with an option for existing population opt-in.
- (G) The Consultant will develop recommendations for measuring quality, financial, and health outcome performance, and for reporting to the legislature and the public, including the time periods for reporting.

- (H) The Consultant will respond on a timely basis to committee and legislator questions.
- (I) The Consultant will provide committee testimony, as requested by the Project Director.
- (J) As requested by the Project Director, the Consultant will respond to other related requests for information and services.
- (K) The Consultant may not perform any work under this Contract without the prior approval of the Committee Chair or the Project Director.

## **CLAUSE II – PERIOD AND DATES OF PERFORMANCE**

- (A) The period of performance under this Contract shall be from October 10, 2015 through December 31, 2016, unless terminated earlier as provided herein, or extended by mutual agreement of the parties. All reports and analysis and any necessary reviews and other summary writing required shall be completed and delivered to the Committee Chair by December 31, 2016 unless otherwise directed by the Project Director or Committee Chair.

It is mutually agreed that all performance dates, including the contract term and work schedule under the RFP 15-33-10, sec. 1.04 will be adjusted based on the Consultant's and the Committee's needs as approved by the Committee Chair or the Project Director.

The Committee and the Consultant may negotiate and amend this contract to include, for additional compensation, other work related to this Contract.

- (B) Upon delivery of written notice to the Consultant, this Contract may, without liability to the Committee, be terminated by the Committee with cause, including but not limited to, termination under (D) of this Clause II, or without cause. Written notice of the termination shall be made either electronically or delivered via hard copy to the Consultant, whichever method is selected in the sole discretion of the Committee Chair or Project Director.
- (C) If this Contract is terminated by the Committee and the termination is not based on a breach by the Consultant or on the Consultant's failure to satisfactorily provide the services required herein, the Consultant shall be compensated for services provided under the terms of this Contract up to the date of termination if the Consultant supplies the Committee Chair or Project Director with a detailed written summary of the services performed prior to the termination, a statement of the results or conclusions formed based upon the research or analysis performed, and all working papers, reports, documents and all other materials required to be delivered to the Committee Chair or Project Director under RFP 15-33-10 Section

1.27 (“Ownership and Reuse of Documents”) and Clause XIV (“Ownership and Reuse of Documents”) of this Contract.

- (D) The Committee may, in its sole discretion, terminate the Contract or withhold payments claimed by the Consultant for services rendered, if the Consultant fails to satisfactorily comply with any term or condition of this Contract, including but not limited to, withholding payment under Clause III (J).

**CLAUSE III – COMPENSATION AND METHOD OF PAYMENT**

- (A) The Consultant shall perform the work specified in this Contract, including providing all labor, materials, travel reimbursement payments under Clause III (G), and equipment required to complete the work required by RFP 15-33-10, for a total Contract price not to exceed three hundred fifty thousand dollars (\$350,000.00).
- (B) The Consultant shall be compensated two hundred seventy seven thousand seven hundred dollars (\$277,700.00) to complete tasks A-G of Clause I - Statement of Scope of Work.

Included in this fixed fee are all costs associated with the evaluation and written analysis of 1) SB78/HB148: Medical Assistance Coverage; Reform (all current versions), and 2) SB74/HB190 Medicaid Reform/Fraud/ER Use/Studies (all current versions). The written evaluation and analysis of RPL 06-2016-0056 and RPL 06-2016-0057 is included within the fixed price.

This fixed price includes all costs to perform the required work, including, but not limited to, costs associated with any travel the Consultant deems necessary to complete the analysis (not including presentation of the analysis to the Committee).

- (C) For work performed under Clause III (B), the Consultant shall submit separate requests for payment in accordance with the following schedule:

Request for Payment Number	Submit Request for Payment by:	Request for Payment Amount	Percentage Total Fixed Contract Price
1	December 15, 2015	\$ 69,425.00	25%
2	February 15, 2016	\$ 69,425.00	25%
3	May 31, 2016	\$ 138,850.00	50%

All payments are contingent on the Consultant’s compliance with the project schedule. The project schedule shall be submitted by the Consultant within 15 days of execution of this Contract and agreed to by the Consultant and the Committee Chair or Project Director. The Committee Chair or Project Director maintains authority to shift scheduled payment or portion of scheduled payment

to a different month if the Consultant fails to complete scheduled tasks. The Committee would prefer to receive requests for payment electronically.

- (D) The Committee Chair or Project Director shall approve services related to tasks H-J of Clause I. Hourly rates for on-call services related to tasks H-J of Clause I shall include all costs necessary to complete the requested work. The Consultant shall be compensated for on-call services for tasks H-J of Clause I based on the following rates:

<u>Staff Position</u>	<u>Hourly Billing Rate</u>	<u>Consultant</u>
Project Lead	\$300	Joel Menges
Senior Consultants	\$250	John Folkemer, Sherry Knowlton, Jessica Wiecezak, Emily Ricci, Amira Mouna, Poornima Singh
Junior Consultants	\$100	Nick Pantaleo, Abby Evans

Work shall be directed with the overall goal of providing the Committee with the best possible analysis in the most efficient and least costly manner.

- (E) For work performed under Clause III (D) and for travel and travel time reimbursements under Clauses III (F) and (G), the Consultant shall invoice the Committee on a monthly basis. Invoices will be submitted by the last day of the following month.
- (F) The Consultant will be paid at a total billing rate of 4 hours for each day spent traveling to/from Alaska for legislative meetings as required by the Committee Chair or Project Director. These four hours will only be fully or partially invoiced in situations where Consultant is not able to bill eight hours across all client project work on that particular day.
- (G) For travel related to work performed under this contract that is supported by receipts and approved by the Project Director, the Consultant will be reimbursed, without mark up, for reasonable travel expenses, including transportation, accommodation and meal per diem. Per diem will be based on the federal per diem rate for calculation purposes only and airfare will be reimbursed at the coach rate.
- (H) If a payment is not made within ninety (90) days after the Committee Chair or Project Director has received a request for payment that is allowed under this Clause III and that complies with (A) of this Clause III, the Committee shall pay

interest on the unpaid balance of the billing at the rate of one and one-half percent (1.5%) per month from, and including, the 91st day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the Consultant. Payment sent by mail and/or payments sent electronically shall be sent to the address designated by the Consultant.

- (I) The Committee shall not pay any requests for payment of services submitted more than twelve (12) months after the calendar month in which the request for payment was due.
- (J) Should the Committee, as provided in (A) of this Clause III, anticipate that any part of the work detailed in RFP 15-33-10 Section 5.01 (Scope of Work) is unable to be completed, including, but not limited to, work that is unable to be completed due to lack of data or other information necessary to make reasoned and informed conclusions, the Committee may withhold the payment for the work permanently.

#### **CLAUSE IV – EXPENSES AND DUPLICATION**

- (A) Except as may be otherwise provided by Clause III, the office space, equipment, supplies, clerical support and other expenses that are necessary for the Consultant to carry out the Consultant's obligations under this Contract shall be supplied and paid for by the Consultant at no cost to the Committee.
- (B) Duplicates of any material or other item produced under this Contract may be produced by the Committee; the office space, equipment, supplies, clerical support and other expenses required for the duplication shall be supplied by the Committee.

#### **CLAUSE V – ASSIGNMENT OR TRANSFER**

Assignment or transfer of the contract entered into is subject to Sec. 160 of the Procurement Procedures of the Alaska State Legislature. The Consultant may not subcontract work under this Contract, with written prior approval of the Committee Chair or Project Director.

#### **CLAUSE VI – WORKERS' COMPENSATION**

During the life of this contract, the Consultant shall, in accordance with AS 23.30.045(d), provide and maintain workers' compensation insurance. The Consultant shall require any subcontractor to provide and maintain workers' compensation insurance for the subcontractor's employees. Consultant shall provide the Committee, upon request, with written proof of the coverage required by this clause.

## **CLAUSE VII – FEDERAL AND STATE LAWS**

In addition to the other requirements of this contract, the Consultant must comply with all applicable Federal and State labor, wage/hour, safety and other laws which have a bearing on the contract, and must have all licenses and permits required by the Federal government, State and/or municipality for performance of the work covered by this contract, including, but not limited to, a valid Alaska business license and any necessary applicable professional licenses. The Consultant must pay all fees associated with the licenses and permits required for performance of the contract.

## **CLAUSE VIII – HUMAN TRAFFICKING**

By the Consultant's signature on this contract, the Consultant certifies that the Consultant is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

In addition, if the Consultant conducts business in, but not headquartered in a country recognized as a Tier 3 in the most recent United States Department of State's Trafficking in the Persons Report, a certified copy of the Consultant's policy against human trafficking must be submitted to the Committee.

The most recent United States Department of State's Trafficking In Persons Report can be found at the following website: <http://www.state.gov/j/tip/rls/tiprpt>.

If the Consultant is or becomes headquartered in a Tier 3 country, or fails to comply with this Clause ("Human Trafficking"), the Committee may terminate the Contract.

## **CLAUSE IX – CONTRACT CONTROVERSIES AND VENUE**

To make a claim under this Contract, the Consultant shall provide notice to the procurement officer that the Consultant intends to file a claim under Legislative Procurement Procedures secs. 350-370; the notice shall be provided within 10 days of the discovery of the claim or 10 days of the termination of the Contract, whichever is sooner. The Consultant shall file the complete and certified claim with the procurement officer in accordance with Legislative Procurement Procedure secs. 350-370 within 90 days of the discovery of the claim or 90 days after the termination of the Contract, whichever is sooner.

In the event that the parties to the Contract find it necessary to litigate the terms of the Contract, venue shall be State of Alaska, First Judicial District, at Juneau, and the Contract shall be interpreted according to the laws of Alaska.

#### **CLAUSE X – BINDING ON SUCCESSORS**

Subject to Clause V (Assignment or Transfer) of this Contract, this Contract and all the covenants, provisions, and conditions contained in the Contract shall inure to the benefit of and be binding upon the successors and assigns of the Consultant and the Committee.

#### **CLAUSE XI – INDEMNIFICATION**

The Consultant shall indemnify, hold harmless, and defend the Committee, and the Committee's officers, agents, and employees from liability for any claim, including, but not limited to, any damages, costs, and attorney fees arising from the claim, arising from the Consultant's negligence or intentional misconduct in the performance of Consultant's obligations under this Contract.

#### **CLAUSE XII – COVERAGE UNDER THE ETHICS LAW**

The Consultant, all staff and all subcontractors working under the Consultant, who are performing work under this Contract, may be subject to the provisions of AS 24.60 (Legislative Ethics). Select Committee on Legislative Ethics Advisory Opinion 99-01 concludes that "any contractors who are paid through the state payroll system, contractors (or those designated within a contracting firm or company) with the Ethics Committee and those services or professional services contractors with legislative contracts over \$5,000, who will incur more than incidental use of state resources or who either contract for legislative policy related services or who are designated to represent the Legislature in a policy-related capacity, fall within the legislative employee definition and are therefore subject to the legislative ethics code."

#### **CLAUSE XIII – RECORDS; AUDIT**

In addition to any other records required by this Contract, the Consultant shall accurately maintain detailed time records that state the date of the work, break down the time in quarters of an hour, describe in detail the work done during the quarter of an hour, and identify which individual did the work. The Consultant shall also keep any other records that are required by the Project Director. The records required by this Contract are subject to inspection by the Committee Chair or the Project Director at all reasonable times.

#### **CLAUSE XIV – OWNERSHIP AND REUSE OF DOCUMENTS**

- (A) All documents, reports, material, and other items generated as a consequence of work done under this Contract are the property of the Committee. To the extent



the Consultant has any interest in the copyright for these items under the copyright laws of the United States, the Consultant transfers by this Contract any and all interest the Consultant has in the copyright for these items to the Committee, and the Committee will be the owner of the copyright for these items. Upon completion of the work or termination of this Contract, the items shall be delivered to the Project Director. Notwithstanding the above provisions, this Clause XIV(A) does not give the Committee proprietary rights to financial models or software developed under the Contract, nor will it prevent the Consultant from making publicly available work performed under this Contract where such work has already been made publicly available by the Committee.

- (B) The Consultant warrants to the Committee that all software, information, data, or intellectual property used in the course of performing this Contract is being used by the Consultant with the authority, license, or permission of the owner.

#### **CLAUSE XV – PROJECT DIRECTOR**

The Project Director is the person appointed by the Committee Chair. The Project Director shall be Pauly Swanson. The Project Director is authorized to oversee and direct the activities of the Consultant under this Contract. The Committee Chair may replace the Project Director at any time by providing notice to the Consultant.

#### **CLAUSE XVI – AUTHORIZATION; CERTIFICATION**

- (A) The execution of this Contract is in accordance with Legislative Procurement Practices and was authorized by a majority of the members of the Committee at a meeting on September 10, 2015.
- (B) Execution of this Contract by the Legislative Auditor hereby constitutes a certification that funds are available in an appropriation to pay for work performed under this Contract through June 30, 2016. Availability of funds to pay for work performed from July 1, 2016 through December 31, 2016 is contingent upon appropriation of funds for the next fiscal year. If, in the judgment of the Legislative Auditor, sufficient funds are not appropriated for the appropriate fiscal year, the Contract will be terminated under Clause II (B) or amended.

**CLAUSE XVII – MODIFICATION AND PREVIOUS AGREEMENTS**

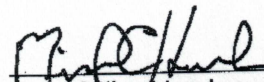
This Contract contains all terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either of the parties to this Contract. This Contract may not be modified unless in writing and signed by the parties to this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates indicated below:


CONSULTANT:

  
Joel J. Menges, CEO  
The Menges Group  
Tax Identification No.: 46-2487738  
Alaska Business License: 1026099  
10/22/15  
Date

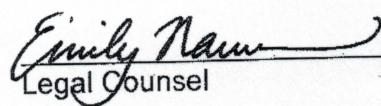
COMMITTEE:

  
Rep. Mike Hawker, Chair  
Legislative Budget & Audit Committee  
Procurement Officer  
10.21.15  
Date

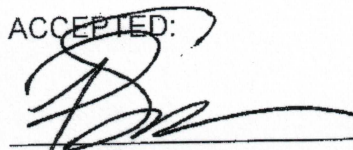
CERTIFYING AUTHORITY:

  
Kris Curtis  
Legislative Auditor  
Legislative Budget & Audit Committee  
10/21/15  
Date

APPROVED AS TO FORM:

  
Emily Nawa  
Legal Counsel  
10/20/15  
Date

ACCEPTED:

  
Pauly Swanson  
Project Director  
10.21.15  
Date